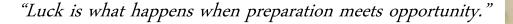


Business Crisis Toolkit:

The Basics of the SBA's Disaster Loan Products



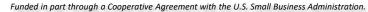
-Seneca Roman philosopher (5 BC-65 AD)











Jason Nitschke; MA, EDFP

Vice President/Regional Director - Great Falls SBDC

Education

- 1997 -- University of Montana -- BA Journalism/Pol. Sci.
- 2002 -- Hawaii Pacific University MA Communications

Certifications

- 2017 Certified Export Counselor
- 2017 Certified Profit Mastery Facilitator
- 2015 -- Economic Development Finance Prof. (EDFP)
- 2015 -- Accredited Small Business Consultant (ASBC)
- 2015 -- Certified Business Advisor (GrowthWheel)

Entrepreneurship

- 2000-2002 -- JNitschke Photography; Denver, CO
- 2011-2012 -- Carondelet Estate Services, LLC; St. Louis, MO

Bureaucracy

• 2013-2014 – Analyst, State of Illinois





Agenda



Paycheck Protection Program

This loan program provides loan forgiveness for retaining employees by temporarily expanding the traditional SBA 7(a) loan program.

Learn more



EIDL Loan Advance

This loan advance will provide up to \$10,000 of economic relief to businesses that are currently experiencing temporary difficulties.

Learn more



SBA Express Bridge Loans

Enables small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 quickly.

Learn more



SBA Debt Relie

The SBA is providing a financial reprieve to small businesses during the COND-19 pandeplic.

Learn more





https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources



Disaster assistance

The SBA provides low-interest disaster loans to help businesses and homeowners recover from declared disasters.

APPLY FOR ASSISTANCE

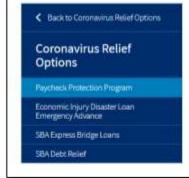


Appropriations Notices:

As of 4/15/2020



As of 4/16/2020



Notice: Lapse in Appropriations

The SBA is currently unable to accept new applications for the Paycheck Protection Program based on available appropriations funding.

Other Assistance



The Top Line Takeaways

Pivot Market

Communicate Honestly Market

Preserve Cash Operations

Remember: Every Decision Made Impacts Financials





CARES ACT

PAYCHECK PROTECTION PROGRAM LOAN



Who is Eligible to Apply for the PPP?

- Any for-profit, 501(c)(3) non-profit organization, 501(c)(19) veterans organizations, faith-based organizations, tribal business concerns
- Meet size standards
- In operations on or before 02/15/2020
- Sole Proprietors, independent contractors, and self employed persons
- Some restrictions for operations with gaming revenue have been lessened

How to Apply:

- SBA Participating Lender
 - https://www.sba.gov/paych eckprotection/find
- Provide Proof of Payroll Costs
 - https://www.sba.gov/fundingprograms/loans/coronavirus-relief-options/paycheckprotection-program-ppp



Paycheck Protection Program Borrower Application Form

OMB Control No.: 3245-0407

Expiration Date: 09/30/2020

Sales.		2011011111	parenton ror.					
☐ Indepe ☐ 501(c)	□ Sole proprietor □ Partnership □ C-Corp □ S-Corp □ LLC □ Independent contractor □ Eligible self-employed individual □ 501(c)(3) nonprofit □ 501(c)(19) veterans organization □ Tribal business (sec. 31(b)(2)(C) of Small Business Act) □ Other				DBA or Tradename if Applicable			
	Business Legal Na	ime						
	Business Addres	ss		Business TIN	Business TIN (EIN, SSN) Business Phone			
						() -		
				Primary	Contact	Email Ad	ldress	
Average Monthly Payroll:	s	x 2.5 + EIDL, N Advance (if App Equals Loan Rec	dicable)	6	Number of Employees			
urpose of the loan		Equilibrium res	quest.			3.		
select more than one):	□ Payroll □ Lea	se / Mortgage Inter	est Utilities	ilities Other (explain):				
est all owners of 20% or me Owner Name	ore of the equity of the A	Applicant Own Applicant. Attach a Title	2.2320.0	TIN (EIN, SSN)		Address	-	
If questions (1) or (2)	below are answered "Yo	es," the loan will n	ot be approved.				45	
		Question					Yes	
	any owner of the Applic d from participation in the						□ -	
	any owner of the Applic m SBA or any other Fed government?							
3. Is the Applicant or	any owner of the Applic	ant an owner of an	y other business,	or have common r	nanagement	with, any other		

business? If yes, list all such businesses and describe the relationship on a separate sheet identified as addendum A.



Paycheck Protection Program

(PPP) – based on IFR dated 4/15/2020 & FAQs as of 4/16/2020

USES OF FUNDS	75% - Payroll, most officer compensation, payroll expenses 25% - Mortgage interest, rent/lease, utilities
TERMS	100% guaranty; Up to \$10 million; 1% interest rate
FORGIVABLE	YES; "the full principal amount of the loans may qualify for loan forgiveness;" if applied to eligible uses within 8-weeks of first loan disbursement
MATURITY	2 years
FIRST PAYMENT DUE	Deferred 6 months



What are Eligible Uses of PPP?

- Compensation to employees and owners up to \$100k in the form of:
 - Salary, wages, commissions, draws, or similar compensation (except K-1 distributions)
- Cash Tips (Based on the employer records of past tips or in the absence of such records)
- Vacation, parental, family, medical or sick leave, benefits, group health insurance premiums, retirement
- Allowance for separation or dismissal
- State and Local taxes assessed on compensation of employees
- Mortgage Interest (NOT Mortgage prepayments or principal payments)
- Interest Payments on any other debt obligation incurred before February 15, 2020
- Rent/Lease Payments
- Utility Payments





Will my Loan be Forgiven?



- Forgiven up to 100% of principal, **if** used for eligible costs
- At least 75% of the forgiven amount must be for payroll
- Forgiveness is based on the employer maintaining or quickly rehiring and maintaining salary levels
- Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease
- ----- A COUPLE FINAL NOTES ON PPP
- No collateral or personal guarantees are required
- Neither the government nor lenders will charge small businesses any fees

GrowGreatFallsMontana.org

Economic Injury Disaster Loan (EIDL)

Who is Eligible to Apply?

- Any small business concern that meets SBA's size standards (either the industry based sized standard or the alternative size standard)
- Any business, 501(c)(3) non-profit organization,
 501(c)(19) veterans organization, or Tribal business
 concern
- That meets the SBA industry size standard if more than 500
- Sole proprietors, independent contractors, and selfemployed persons



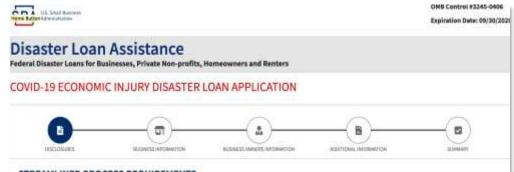


Economic Injury Disaster Loan (EIDL)

USES OF FUNDS	To meet financial obligations and operating expenses that could have been met had the disaster not occurred
TERMS	Up to \$2 million — 3.75% for businesses; 2.75% for non-profits; advance up to \$10,000 (\$1000 per employee)
FORGIVABLE	NO – EIDL Loan YES – EIDL Advance
MATURITY	30 years
FIRST PAYMENT DUE	Deferred 1 year

How to Apply:

- Directly at SBA.gov
 - https://www.sba.gov/page/ disaster-loan-applications



STREAMLINED PROCESS REQUIREMENTS

SBA is collecting the requested information in order to make a loan under SBA's Economic injury Disaster Loan Program to the qualified entities listed in this application that are impacted by the Coronavirus (COVID-19). The information will be used in determining whether the applicant is eligible for an economic injury loan. If you do not submit all the information requested, your loan cannot be fully processed.

The Applicant understands that the SBA is relying upon the self-certifications contained in this application to verify that the Applicant is an eligible entity to receive the advance, and that the Applicant is providing this self-certification under penalty of perjury pursuant to 28 U.S.C. 1746 for verification purposes.

ELIGIBLE ENTITY VERIFICATION	I parts. You are not required to respond to
Choose One:	
Applicant is a business with not more than 500 employees.	
Applicant is an individual who operates under a sole proprietorship, with or without employees, or as an independent contractor.	
Applicant is a cooperative with not more than 500 employees.	
Applicant is an Employee Stock Ownership Plan (ESOP), as defined in 15 U.S.C. 632, with not more than 500 employees.	
Applicant is a tribal small business concern, as described in 15 U.S.C. 657a(b)(2)(C), with not more than 500 employees.	
Applicant is a business, including an agricultural cooperative, aquaculture enterprise, nursery, or producer cooperative, that is small under SBA Size Standards found at https://www.sba.gov/s/ze-standards.	ž
Applicant is a business with more than 500 employees that is small under SBA Size Standards found at https://www.sba.gov/size-standards.	
Applicant is a private non-profit organization that is a non-governmental agency or entity that currently has an effective ruling letter from the IRS granting tax exempt sections 501(c),(d), or (e) of the Internal Revenue Code of 1954, or satisfactory evidence from the State that the non-revenue producing organization or entity is a non-organized or doing business under State law, or a faith-based organization.	



FAQ: Can I Apply For PPP and EIDL? SPIRIT





SBA Express Bridge Loan



- Current relationship with an SBA Express Lender
- Access up to \$25,000 quickly
- To help overcome the temporary loss of revenue
- Can be a term loan or used to bridge the gap while applying for a direct EIDL
- If a small business has an urgent need for cash while waiting for decision and disbursement on an EIDL





SBA Express Bridge Loan



Terms

- Up to \$25,000 "Fast turnaround"
- Maximum EBL loan term is 7 years
- Maximum Allowable Interest Rate: up to 6.5% over Prime
- Some fees may be charged
- Will be repaid in full or in part by proceeds from the EIDL loan
- Lenders are not required to take collateral

Eligibility

- All small businesses adversely impacted by COVID-19
- Credit Not Available Elsewhere
- Adverse Impact
- Within 6 months of eligibility period (March 13, 2020-September 13, 2020)





SBA Express Bridge Loan



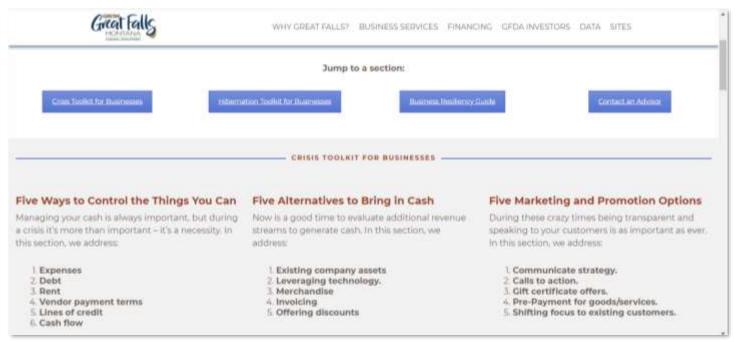
Credit & Underwriting

- Streamlined underwriting process
- Credit Scores (business & personal for each guarantor)
- IRS Transcripts
- Existing Banking Relationship
- Character evaluation (incarcerated, parole, indictment)
- No delinquent federal debt or prior loss



UNTAME YOUR ENTREPRENEURIAL SPIRIT

Resources Available





an Your Ent

GFDA Business Stabilization and Recovery Loan

- Gap loan
- Mission focused: growth, diversification, and high wage jobs
- Starts with phone interview then short application
 - Financials/Tax Returns
 - Credit Score
 - Application
 - Work with Small Business Development Center Coach
- Terms
 - Four years at 4 % interest
 - No payment for first 6 months then 6 months interest only
 - 1% origination rolled into amortization
 - 3-year amortization
 - No early payoff penalty

Call Jolene 406.750.4481





Resources Available

- U.S. Small Business Administration: https://www.sba.gov/
- Governor's Coronavirus Task Force: https://covid19.mt.gov/
- America's SBDC: https://americassbdc.org/coronavirus-information/
- MT Small Business Development Center Network: https://sbdc.mt.gov/
- MT Department of Labor & Industry: http://dli.mt.gov/employer-covid-19





Contact Trusted Advisors

Banker

Accountant

Insurance

Lawyers

Business Advisors











Rich Gannon SBDC Rural Budness Advisor Cell (406) 836-2078 UCannon & CowChestFalls.prs

Bigh is on the front lines of our business coaching and training services to existing businesses and startup entrepreneurs in Cascade, Fergus, Clacier, Judith Basin, Punderia, Taton, and Tode countries.



Barnett G. Sporkin-Morrison

Food & Ag Development Center Director Cell (406:750-3295)

Sames MC coa Creat Falls are

Barriett leads our efforts to grow and diversify food, ag and bioprocessing a cross the region. He also supports efforts to increase and disensify agricultural production in the Golden Triangle.





Tyler Menzales Content Marketing Director/SBDC Business Advisor Cell (406) 590-1539

Tyler oversees GFD43 content marketing efforts. He also assumels small business owners to innovate their digital presence and marketing efforts.



Littlan Sunwall, CPP Vice President Business Strategy

CHI (400) 750-1253

Littler leads our Procurement technical Assistance Center helping businesses with government contracting. She leads our brownfield assessment and cleanup efforts, and also staffs the Great Palis Agnitects Sark.

Correct with the an Arthering



Jason Nitschios, MA, EDFP

Vice President/firmall Business Development Center Regional Director Cell (406) 750-0394

JENESCH NIE OGESWICH SIE SEIN DES

Small business and entrepreneurial development are important to the GPCA. Jacon leads our flusiness coaching team helping entrepreneurs start and grow.



Shannon Clancy

Government Contracting Advisor Cell (400: 590-1184

SCIanity@CrowGreetFallsure

Shannon spits her duties between our Procurement Technical Assistance Center (PTAC), herping businesses with government contracting, and our business development team handling our vensus company and contact databases.



CENTER NETWORK

https://sbdc.mt.gov/

Regional Offices:

Billings Center: 408.254.6014 Bozeman Center: 406.994.5885

Butte Center: 406.533.6780

Great Falls Center: 408.750.0314 Havre Center: 408.399.1557

Helena Center: 406.447.6376 Kalispell Center: 406.756.3836 Miles City Center: 406.874.6168 Missoula Center: 406.243.4770 Wolf Point Center: 406.653.2590









 $\textit{Funded in part through a Cooperative Agreement with the U.S. Small \textit{Business Administration}.$



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Please Share Ideas With Us

Email me at JNitschke@GrowGreatFalls.org







